

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** 07/02/2015

**POSITION:** Oppose

**SPONSOR:** California Council of Community Mental Health Agencies

**BILL NUMBER:** SB 296

**AUTHOR:** Cannella, Anthony

**RELATED BILLS:** AB 1018 (Cooper) AB 1299 (Ridley-Thomas)

### **BILL SUMMARY:** Medi-Cal: specialty mental health services: documentation requirements.

This bill requires the Department of Health Care Services (DHCS), to develop a single set of Medi-Cal specialty mental health service billing documentation requirements by January 1, 2017 for use starting July 1, 2017. The bill prohibits counties from requiring additional billing documentation requirements for Medi-Cal specialty mental health services that are more stringent than the billing documentation requirements developed by DHCS pursuant to this measure.

### **FISCAL SUMMARY**

DHCS estimates a need of 6 additional positions (2 Consulting Psychologists, 2 Health Program Specialists, 1 Staff Services Analyst, and 1 Attorney) and \$877,000 (\$349,000 General Fund) in 2015-16 and \$823,000 (\$327,000 General Fund) ongoing to implement this bill. These positions will develop new documentation standards, create regulations, coordinate administrative and analytical tasks, format documents, perform training, and provide policy guidance and legal support. Although Finance believes these estimates should decrease on an ongoing basis, there will be some level of costs to implement this bill.

The responsibility for specialty mental health services was realigned to counties in 2011 as part of 2011 Public Safety Realignment. Pursuant to Proposition 30, which was approved by voters in November 2012, legislation enacted after September 30, 2012 that has an overall effect of increasing the costs already borne by a local agency for programs or levels of service mandated by 2011 Realignment requires the state to provide additional funding to cover those costs. To the extent counties request additional funding under Proposition 30 to implement newly established minimum billing documentation standards within the first two years of implementation, this bill may result in additional General Fund costs.

### **COMMENTS**

The Department of Finance is opposed to this bill because it is unnecessary and results in additional workload and costs for DHCS, and potentially counties, county health providers, and county mental health plans to implement new documentation requirements every two years. DHCS can already issue guidance to counties on documentation requirements and forms to counties under its existing administrative authority.

Current law requires DHCS to create a standardized set of documentation standards and forms to facilitate the receipt of medically necessary specialty mental health services. This bill not only requires DHCS, in consultation with stakeholders, to develop a single set of service billing documentation requirements for the provision of specialty mental health services by January 1, 2017 (for use starting July 1, 2017), but further requires DHCS to update those requirements no less than every two years. Additionally, this bill prohibits

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Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)

## AUTHOR

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Cannella, Anthony

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**COMMENTS** (continued)

counties from requiring additional billing documentation requirements for Medi-Cal specialty mental health services that are more stringent than the requirements developed by the state.

The author's office notes an independent review of the state billing requirements revealed some counties have implemented additional documentation requirements to avoid misinterpretations of guidelines that could lead to a disallowance of services during fiscal audits.

AB 1018 (Cooper) requires DHCS and the Department of Education to create a joint task force to examine the delivery of mental health services to children who are eligible for Early and Periodic Screening, Diagnosis, and Treatment services and for services required by the federal Individuals with Disabilities Education Act. That bill is in Senate Appropriations. AB 1299 (Ridley-Thomas) transfers the responsibility for providing or arranging mental health services for foster youth from the county of original jurisdiction to the foster child's county of residence. That measure is in Senate Human Services.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)					Fund Code
	LA	(Dollars in Thousands)					
	CO	PROP					
	RV	98	FC	2015-2016 FC	2016-2017 FC	2017-2018	
4260/Hlth Care	SO	No	C	349 C	327 C	327	0001
4260/Hlth Care	SO	No	C	528 C	496 C	496	0890
5196/St-LC 2011	SO	No		----- Unknown Costs -----			0001
<u>Fund Code</u>			<u>Title</u>				
0001			General Fund				
0890			Trust Fund, Federal				